

## **ELIGIBILITY INFORMATION REQUIRED FOR GULF OPPORTUNITY PILOT LOAN PROGRAM SUBMISSION**

**I. Fill out all of this section. If a question in this section is answered “No,” the loan is not eligible.**

Applicant Name \_\_\_\_\_  
Lender Name \_\_\_\_\_  
Purpose of Loan \_\_\_\_\_  
Describe Type of Business \_\_\_\_\_

Applicant is an operating business organized for profit, is located in United States, has demonstrated a need for the desired credit, and the desired credit is not otherwise available on reasonable terms from non-Federal sources. YES \_\_\_ NO \_\_\_  
The products and/or services of the Applicant business are available to the general public. YES \_\_\_ NO \_\_\_

### **Size and Affiliation**

Primary industry of Applicant \_\_\_\_\_ NAICS Code of Applicant \_\_\_\_\_  
Average annual receipts of Applicant Business (excluding affiliates) over last 3 completed fiscal years \_\_\_\_\_  
No. of employees of Applicant Business \_\_\_\_\_, SBA size standard for Applicant \_\_\_\_\_  
The combined size calculation of applicant and its affiliates meets the size standard for the applicant's primary industry or the size standard for the primary industry of the applicant and its affiliates, whichever is higher. YES \_\_\_ NO \_\_\_  
If size standard is exceeded by no more than 25%, Applicant agrees to use the assistance within a labor surplus area. YES \_\_\_ NO \_\_\_

### **CHECK IF APPLICABLE:**

\_\_\_ Applicant has possible affiliates. *If checked, provide the following information in attachment to this form:*  
(1) List possible affiliates, (2) discuss possible bases of affiliation and (3) determine if affiliation exists.  
If affiliation exists, the primary industry of the applicant and its affiliates is \_\_\_\_\_. The NAICS Code is \_\_\_\_\_.  
The combined average annual receipts over last 3 completed fiscal years or the number of employees for applicant and all affiliates is \_\_\_\_\_ (depending on the size standard measure for the industry).

\_\_\_ Applicant business has a franchise/license/dealer/jobber or similar agreement.  
*If checked, answer the following question:*  
The SBA Franchise Registry lists the franchise/license/dealer/jobber or similar agreement as an approved agreement. YES \_\_\_ NO \_\_\_

If “No,” answer the following statement: You have made the determination that the applicant business has the right to profit and risk of loss commensurate with ownership and there are no excessive restraints on the sale of the franchise/license/dealer/jobber or similar interest. *If “No,” loan is not eligible.* YES \_\_\_ NO \_\_\_

### **Principals of the Applicant**

No Associate (an officer, director, owner of more than 20 percent of the equity, or key employee) of the Applicant is incarcerated, on probation, on parole, or under indictment for a felony or a crime of moral turpitude. YES \_\_\_ NO \_\_\_

All owners of 20 percent or more of the Applicant (including a spouse owning 5 percent or more when the combined ownership of both spouses is 20 percent or more) will guaranty the loan (except for ESOPs or eligible 401(k) Trusts). YES \_\_\_ NO \_\_\_

All principals of business are either U.S. citizens or non-U.S. citizens whose status is being verified with USCIS. For non-U.S. citizens, the lender has obtained a copy of the individual's USCIS documentation and submitted a USCIS Form G-845, “Document Verification Request” with supporting information to the appropriate USCIS office. In addition, the lender will not close and disburse the loan prior to receiving confirmation from USCIS that the alien status of all principals meets SBA's policies. YES \_\_\_ NO \_\_\_

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If “Yes,” CHOOSE the ONE that applies (If neither applies, the loan is not eligible):

\_\_\_ The business is at least 51 percent owned by individuals who are U.S. citizens and/or who have Lawful Permanent Resident (LPR) status, which lender will verify with the USCIS prior to first disbursement, and control the management and daily operations of the business; OR

\_\_\_ The business is at least 51 percent owned by aliens with an alien status other than LPR, which lender will verify with the USCIS prior to first disbursement, the lender has determined that continual and consistent

management of the business has been provided by a U.S. citizen or by an LPR (which lender will verify with the USCIS prior to first disbursement) for at least one year and will continue indefinitely AND U.S. collateral is pledged sufficient to pay the loan in full at any time. (Businesses less than one year old do not meet these requirements.)

## **Terms of the Loan**

The maturity of the loan does not exceed the maximum allowable by SBA and is the shortest appropriate term commensurate with repayment ability of the Applicant. If the loan is revolving, the maturity does not exceed seven years.

YES\_\_\_NO\_\_\_

SBA guaranty percentage does not exceed:

- 85% OR
- if submitted under the American Recovery and Reinvestment Act of 2009 (the “Recovery Act”), does not exceed 90%.

YES\_\_\_NO\_\_\_

The aggregate amount of the SBA portions for this application and all outstanding loans to Applicant and its affiliates does not exceed \$1,500,000.

YES\_\_\_NO\_\_\_

The interest rate of the loan does not exceed 6.5% over prime rate for loans of \$50,000 and less or 4.5% over prime rate for loans over \$50,000.

YES\_\_\_NO\_\_\_

Applicant does not have a non-SBA-guaranteed loan made by any lender at or about the same time for the same or similar purpose as this loan, with a lien position senior to this loan (“Piggyback Loan structure”).

YES\_\_\_NO\_\_\_

## **II. CHECK ANY ITEMS THAT ARE APPLICABLE IN THIS SECTION.**

### **Type of Business**

\_\_\_ Applicant is or does one of the following. *If checked, loan is not eligible.*

- primarily engaged in the business of lending
- a passive business that holds real and/or personal property to receive rent or lease income and does not provide sufficient services to deem it active and is not an Eligible Passive Company discussed below
- bail bond company
- life insurance company
- does business in a foreign country (except for loan under the International Trade program)
- pyramid sale distribution plan
- any illegal activity
- principally engaged in teaching, instructing, counseling or indoctrinating religion or religious beliefs, whether in a religious or secular setting.
- consumer or marketing cooperative
- earns 1/3 or more of its gross annual revenue from packaging SBA loans
- derives directly or indirectly more than 5% of its gross revenue through the sale of products or services, or the presentation of any depiction or displays, of a prurient sexual nature or that presents any live performances of a prurient nature
- primarily engaged in political or lobbying activities
- a speculative business (such as oil wildcatting, mining and research & development)

\_\_\_ Applicant is or does one of the following: *If checked, loan is not eligible to be submitted under this process.*

Has operations, facilities, or offices located overseas (other than those strictly associated with the marketing and/or distribution of products exported by the applicant which is located in the U.S.)

\_\_\_ Applicant is a pawn shop. *If checked, answer the following question. If “No” loan is not eligible.*

More than 50% of Applicant’s income for the previous year was from the sale of merchandise rather than from interest on loans.

YES\_\_\_NO\_\_\_

\_\_\_ Applicant is a mortgage service company. *If checked, answer the following question. If “No” loan is not eligible.*

Any mortgage loans funded are sold within 14 days of loan closing.

YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a business that receives rental income (such as a mini-warehouse or office suite). If checked, answer the following question. If "No," loan is not eligible.

Applicant has provided adequate documentation that at least 50 percent of Applicant's revenue for the prior year is from services provided (not rental income); or if a new business, projections demonstrate that a least 50 percent of Applicant's revenue will be from services provided.

YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a motel, trailer park, campground or similar type of business. If checked, answer the following question. If "No," loan is not eligible.

Applicant derives 50 percent or more of its gross annual income from transients who stay for periods of time not exceeding 30 days.

YES \_\_\_ NO \_\_\_

\_\_\_ Any of gross annual revenue of Applicant business is derived from gambling. If checked, answer the following question. If "No," loan is not eligible.

The revenue is from legal gambling activities and comprises 1/3 or less of gross annual revenue of Applicant business and the business is not a racetrack, casino or otherwise have gambling as its reason for being.

YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a private club or business. If checked, answer the following question. If "No," loan is not eligible.

Business does not limit the number of memberships for reasons other than capacity.

YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is a government-owned entity. If checked, answer the following question. If "No," loan is not eligible.

Applicant is business owned or controlled by a Native American tribe, but is a separate legal entity from the tribe.

YES \_\_\_ NO \_\_\_

\_\_\_ Applicant is an Eligible Passive Company (EPC). If checked, fill in the blanks and answer the following questions. If "No," loan is not eligible.

(Attach additional sheet with Names and Legal Forms if more than one OC. References below to OC mean each OC.)

Name of Operating Company (OC) \_\_\_\_\_

Legal Form of Entity of OC \_\_\_\_\_

- The EPC will use the loan proceeds to acquire or lease, and /or improve or renovate real or personal property (including eligible refinancing) that it leases 100% to one or more OCs.
- The OC is an eligible small business and the proposed use of proceeds would be an eligible use if the OC were obtaining the financing directly.
- The EPC (with the exception of a trust) and the OC each are small under SBA's size standards.
- The EPC is eligible as to type of business, other than being passive.
- The lease between the Eligible Passive Company and the Operating Company will be in writing, will have a remaining term at least equal to the term of the loan (including options to renew exercisable solely by the Operating Company), will be subordinated to SBA's lien on the property and the rents will be assigned as collateral for the loan.
- The OC will be a guarantor or co-borrower. If loan proceeds include working capital or assets to be owned by the OC, it will be a co-borrower.
- Each 20% or more owner of the EPC and each 20% or more owner of the OC will guarantee the loan.
- The aggregate amount of the SBA portions for this application and for all outstanding loans to the EPC, the OC, and their affiliates does not exceed \$1,500,000.
- Neither the EPC nor the OC is a trust, or SBA requirements regarding trusts are met.

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

YES \_\_\_ NO \_\_\_

## Use of Proceeds

\_\_\_ To provide or refinance funds used for payments, distributions, or loans to Associates of the Applicant.  
If checked, loan is not eligible.

\_\_\_ For a purpose that will not benefit the small business. If checked, loan is not eligible.

\_\_\_ To provide funds for floor plan financing. If checked, loan is not eligible.

\_\_\_ For debt refinancing. If checked, ATTACH A DEBT SCHEDULE SHOWING THE TERMS OF THE DEBT TO BE REFINANCED AND THE JUSTIFICATION FOR THE REFINANCING. Also, answer the following questions. If "No," loan is not eligible.

- Refinancing will provide a substantial benefit to Applicant of at least 20% needed improvement to cash flow or refinanced debt is short-term, involves a balloon payment, or is a long-term loan that is interest only. If more than one debt is refinanced, the new debt will have at least a 20% cashflow improvement over the combined cashflow of the debt being refinanced. YES \_\_\_ NO \_\_\_
- Existing debt no longer meets the needs of the Applicant. YES \_\_\_ NO \_\_\_
- If existing debt is between the Applicant and the requesting SBA lender, in addition to the previous two bullets, the debt has been current (no payment beyond 29 days past due) for at least the last 36 months AND the new loan will not reduce the lender's existing credit exposure to the borrower. YES \_\_\_ NO \_\_\_
- Proceeds will not pay a creditor in a position to sustain a loss causing a shift to SBA of all or part of a potential loss from an existing debt. YES \_\_\_ NO \_\_\_
- Debt to be refinanced is NOT an SBA-guaranteed loan unless it meets the following exception: the transaction is the purchase of an existing business that has an existing SBA loan that is not with the requesting SBA Express lender. YES \_\_\_ NO \_\_\_
- Loan will not refund debt to an SBIC. YES \_\_\_ NO \_\_\_
- Loan will not repay third party financing for any existing 504 project. YES \_\_\_ NO \_\_\_
- Loan will not repay delinquent IRS withholding taxes, sales taxes or similar funds held in trust. YES \_\_\_ NO \_\_\_

\_\_\_ To fund or refinance a change in ownership. If checked, answer the following questions. If "No," loan is not eligible.

- The change will promote the sound development or preserve the existence of the Applicant business. YES \_\_\_ NO \_\_\_
- The change is an arm's-length transaction and the purchase price is supported by a business valuation (not to include any real estate) by the lender or an independent third party hired by the lender. The valuation is based on a generally accepted valuation method used for the industry in which the business operates. The loan file is well documented regarding the valuation and includes the substantiating analysis. If the valuation analysis is performed by the lender's loan officer, a synopsis of the analysis is attached. YES \_\_\_ NO \_\_\_
- If buyer and seller are related, transaction is supported by an independent third party valuation. YES \_\_\_ NO \_\_\_
- Change is 100% of ownership or a business repurchasing 100% of one or more of its owners' interests. YES \_\_\_ NO \_\_\_
- The loan proceeds will not pay off an SBA-guaranteed loan of the seller with the same lender. YES \_\_\_ NO \_\_\_

\_\_\_ For construction of (or the refinancing of the construction for) a new building.

If checked, answer the following questions. If "No" loan is not eligible.

- If building will contain rental space, Applicant (or Operating Companies) will continue to occupy at least 60% of the rentable property for the term of the loan; lease long term no more than 20% of the rentable property to one or more tenants; plans to occupy within three years some of the remaining rentable property not immediately occupied or leased long term; and plans to occupy within ten years all of the rentable property not leased long term. YES \_\_\_ NO \_\_\_
- Community improvements do not exceed 5 percent of the loan amount. YES \_\_\_ NO \_\_\_
- If refinancing a construction loan, the construction loan is not with the same lender. YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for the acquisition of land or existing building or for renovation or reconstruction of an existing building.

If checked, answer the following questions. If "No" loan is not eligible.

- Applicant (or Operating Companies) will occupy at least 51% of the rentable property. YES \_\_\_ NO \_\_\_
- Loan proceeds will not be used to remodel or convert any rental space in the property. YES \_\_\_ NO \_\_\_

\_\_\_ To provide funds for or refinance leasehold improvements. *If checked, answer the following question.*

*If "No" loan is not eligible.*

Loan proceeds will be used to improve space occupied 100% by Applicant.

YES\_\_\_NO\_\_\_

### **Conflict of Interest**

*SBA may not provide financial assistance to an applicant where there is any appearance of a conflict of interest on the part of SBA or the Lender.*

All statements must be answered as "true" for the loan request to be submitted under SBA Express or one of the Pilot Loan programs.

- No SBA employee, the employee's close relative or a member of the employee's household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No former SBA employee separated from SBA for less than one year is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No individual currently involved in a Small Business Development Center program, the individual's close relative or a member of the individual's household is an employee, officer, director, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No member of Congress or an appointed official or employee of the legislative or judicial branch (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- If an Associate\*\* of the small business or member of any Associate's household is a GS-13 or higher government employee or a Major or Lieutenant Commander or higher in the military, the small business applicant has submitted to the Lender a statement of no objection by the pertinent government department or military service. True\_\_\_
- No member or employee of a Small Business Advisory Council or a SCORE volunteer (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No employee of a community organization such as a certified development company or microlender (or a close relative or household member of such an individual) is a sole proprietor, general partner, officer, director, employee, attorney, agent, creditor or debtor, or has a financial interest in the Applicant. True\_\_\_
- No community organization or its officers or its directors have a significant financial interest in the Applicant unless the organization has been inactive in packaging SBA loans for at least two years prior to the application date. True\_\_\_
- No Lender or Associate\*\* of Lender has a real or apparent conflict of interest with Applicant, any of Applicant's Associates, or any of the close relatives of Applicant's Associates. True\_\_\_
- No Lender or Associate or close relative of an associate of the lender has a significant direct or indirect financial or other interest in the applicant, or has had such an interest within 6 months prior to the date of the application. True\_\_\_
- No Associate of a Lender is incarcerated, on parole, or on probation or is a convicted felon or has an adverse final civil judgment (in a case involving fraud, breach of trust, or other conduct) that would cause the public to question the Lender's business integrity. True\_\_\_
- No Lender or any Associate of Lender has accepted funding from a source that restricts, prioritizes, or conditions the types of small businesses that Lender may assist under an SBA program or that imposes any conditions or requirements upon recipients of SBA assistance inconsistent with SBA's loan programs or regulations. True\_\_\_
- None of the Loan proceeds will directly or indirectly finance purchase of real estate, personal property or services from Lender or an Associate of Lender. True\_\_\_
- Neither the Applicant, an Associate of Applicant, close relative nor household member of an Associate of Applicant is required to invest in Lender. True\_\_\_
- None of the proceeds of the loan will be used to acquire space in project for which lender has issued a real estate forward commitment. True\_\_\_

(\*\*Associate of a Lender is an officer, director, key employee, or holder of 20 percent or more of the value of the Lender's stock or debt instruments. An Associate of a small business is an officer, director, owner of more than 20 percent of the equity, or key employee.)

## **Special Program Requirements**

\_\_\_ Business applicant is located in, locating to, or relocating in the counties/parishes that have been Presidentially-declared disaster areas resulting from Hurricanes Katrina or Rita, plus any parishes/counties contiguous to those parishes/counties. (A complete list of all eligible parishes/counties (Presidentially-declared and contiguous) is located at [www.sba.gov/financing](http://www.sba.gov/financing).) Additionally, the loan proceeds will be used to support the business's operations within the eligible parish/county.

Business address where the business is located or will be located:

(street number and name) \_\_\_\_\_ (county/parish) \_\_\_\_\_ (state) \_\_\_\_\_

If "No" loan is not eligible for this program.

YES \_\_\_ NO \_\_\_

\_\_\_ Loan is one of the following special purpose loans (Loan is not eligible to be submitted under this process.)

- International Trade Loans, except for Export Express loans
- Qualified Employee Trusts (ESOP)
- CAPLines Program (including Builders Loan Program)
- Community Adjustment and Investment Program (CAIP)
- Disabled Assistance Loan Program (DAL)
- Energy Conservation Loans as described in §7(a)(12) of the Small Business Act

\_\_\_ Question 1 on any required SBA Form 2281, Gulf Coast Relief Financing Pilot Borrower Information Form is answered "Yes."  
(Loan is not eligible.)

\_\_\_ Question 2 or 3 on any required SBA Form 2281, Gulf Coast Relief Financing Pilot Borrower Information Form, for this application is answered "Yes."

If checked, answer the following questions. If "No," loan is not eligible.

The application meets one of the following criteria below (which is checked):

YES \_\_\_ NO \_\_\_

\_\_\_ Individual that answered "Yes" has completed an SBA Form 912 AND Lender has cleared the loan for processing based on SOP 50 10(5) guidelines for SBA Express or Pilot Loan Program lenders.

\_\_\_ The charge resulting in a "yes" answer was a single misdemeanor that was subsequently dropped without prosecution and Lender has documentation from the appropriate court or prosecutor's office showing that the charge was dropped.

\_\_\_ Lender has submitted the required 912 and any additional documentation required to the district or branch SBA office serving the territory where the business applicant is located and has subsequently received written clearance of the character issue(s) from SBA Headquarters through the district or branch SBA office.

\_\_\_ Lender is aware that the application was previously submitted to SBA under any SBA program, including SBA Express, Community Express, PLP, CLP, Patriot Express or regular 7(a). (Loan is not eligible to be submitted under this process unless the SLPC Director has waived this prohibition because the application was preliminary or incomplete when previously submitted or it has changed materially since the previous submission.)

\_\_\_ Lender has made a personal loan to an individual for the purpose of providing an equity injection into the business. (Loan is not eligible to be submitted under this process.)

\_\_\_ Loan will be collateralized by commercial property that will not meet SBA's environmental requirements or that will require use of a non-standard indemnification agreement. (Loan is not eligible to be submitted under this process.)

\_\_\_ Applicant business previously defaulted on a Federal loan or Federally assisted financing that resulted in the Federal government or any of its departments or agencies sustaining a loss; or another business owned or controlled by a principal or any Associate\*\* of the applicant business defaulted on a Federal loan (or guaranteed a loan which was defaulted) and caused the Federal Government or any of its agencies or departments to sustain a loss in any of its programs, including any compromise agreement with any such agency/department; or a principal of the applicant business was the recipient of a student loan that is in delinquent status. (Loan is not eligible to be submitted under this process.)

\_\_\_ Applicant or Affiliates(s) has/have existing SBA loan(s). *If checked, answer the following question. If "No" loan is not eligible.*  
The existing SBA loan(s) is/are current. YES\_\_\_ NO\_\_\_

\_\_\_ Applicant has paid or has committed to pay a fee to a third party to assist in the preparation of the loan application or application materials, or the Applicant or Lender has paid or has committed to pay a referral agent or broker a fee.

*If checked, answer the following question. If "No" loan is not eligible.*

A Form 159(7a) has been or will be completed, signed by all parties as required, and kept in lender's file. YES\_\_\_ NO\_\_\_

\_\_\_ Application is being submitted under the Recovery Act.

*If checked, answer the following questions. If "No" loan is not eligible to be submitted under the Recovery Act.*

• No individual who is an alien unlawfully present in the United States has an ownership interest in another concern that has an ownership interest in the applicant. YES\_\_\_ NO\_\_\_

• Loan proceeds will not be used for a casino, or other gambling establishment, golf course, aquarium, zoo or swimming pool. YES\_\_\_ NO\_\_\_

**ATTACH SHEET FOR COMMENTS REGARDING ANY OF ABOVE ANSWERS THAT REQUIRE EXPLANATION OR REGARDING ANY OTHER RELEVANT ELIGIBILITY ISSUES.**

Is additional information attached?

YES\_\_\_ NO\_\_\_

\_\_\_\_\_  
**Lender hereby certifies that the above information is true and correct, to the best of its knowledge, and that it has exercised due diligence to obtain the true and correct information. Lender is aware and acknowledges that SBA review of this form is a quick look at eligibility intended to provide limited protection to SBA and the lender from making an ineligible loan on which SBA could not honor its guarantee and that if an SBA loan number is assigned and SBA later learns that the loan is not eligible, SBA still may deny liability on its guarantee.**

Signature of authorized lender representative\_\_\_\_\_

Date\_\_\_\_\_

Printed Name and Title \_\_\_\_\_

The estimated burden for completing this form is 15 minutes. You will not be required to respond to any collection of information unless it displays a currently valid OMB Control Number. Comments on the burden should be sent to U. S. Small Business Administration (SBA), Chief, AIB, 409 3rd Street, SW, Washington, DC 20416 and Desk Officer for SBA, Office of Management and Budget, New Executive Office Building, Rom 10202, Washington, DC 20503. OMB Control Number 3245-0355. PLEASE DO NOT SEND FORMS TO OMB.